

# Exhibit 17



**FEDERAL TRADE COMMISSION  
PROTECTING AMERICA'S CONSUMERS**

# FTC Brings Enforcement Action Against DeVry University

## FTC Alleges DeVry Misled Students About Employment and Income Prospects That Were Central to School's Advertising and Marketing

FOR RELEASE

January 27, 2016

**TAGS:** deceptive/misleading conduct | Bureau of Consumer Protection | Western Region | Consumer Protection | Advertising and Marketing | Advertising and Marketing Basics | Education

*Note: A conference call for media with FTC Chairwoman Edith Ramirez and Under Secretary of Education Ted Mitchell was held:*

*Date: Jan. 27, 2016*

*Time: 1 p.m. ET*

*Ramirez, Mitchell and FTC and Department of Education staff took questions from the media about their actions.*

The Federal Trade Commission has filed suit against the operators of DeVry University, alleging that DeVry's advertisements deceived consumers about the likelihood that students would find jobs in their fields of study, and would earn more than those graduating with bachelor's degrees from other colleges or universities.

"Millions of Americans look to higher education for training that will lead to meaningful employment and good pay," said FTC Chairwoman Edith Ramirez. "Educational institutions like DeVry owe prospective students the truth about their graduates' success finding employment in their field of study and the income they can earn."

In its complaint against DeVry, the FTC alleges that the defendants' claim that 90 percent of DeVry graduates actively seeking employment landed jobs in their field within six months of graduation was deceptive. The complaint charges that another key claim made by DeVry, that its graduates had 15 percent higher incomes one year after graduation on average than the graduates of all other colleges or universities, also was deceptive.

The complaint notes that these claims appeared in the defendants' advertising on television, radio, online, print and other media. The 90 percent claim was central to their marketing efforts since at least 2008 and the income superiority claim began in 2013. For example, one television ad that ran on national television as well as on YouTube showed people in business attire hanging hundreds of "offer letters" on a wall, with a voiceover discussing the importance of getting a job offer to college students. The voiceover said all of the offer letters seen came from just the last year – followed by the 90 percent claim. Another ad portrays a student saying "And when I finish my degree in business, a new job at a great company – that's the graduation present I want," followed by the 90 percent claim.

The complaint alleges that DeVry counted numerous graduates as working "in their field" when they were not, including these examples from the 2012 graduating class:

- a graduate who majored in business administration with a specialization in health services management working as a server at a restaurant;
- multiple graduates with majors in technical management whose employment was listed as unpaid volunteer positions at medical centers; a graduate who majored in technical management with a human resources specialization working as a rural mail carrier and another who worked as a driver delivering rain gutters for a construction company; and
- a graduate who majored in business administration with a health care management specialization working as a car salesman.

The complaint also alleges DeVry's calculations included graduates who were working in jobs they held prior to enrolling at DeVry, as opposed to those they landed after graduating.

In addition to counting these and other graduates as working "in their field," the FTC's complaint also alleges that DeVry excluded graduates from their count of those "seeking employment" as inactive when they were in fact actively seeking employment. This included, for example, a graduate who had viewed more than 175 job openings in DeVry's jobs database, interviewed for six jobs in the two months prior to being classified as inactive, repeatedly e-mailed the DeVry career services department, and attended a DeVry career fair.

The FTC's complaint alleges that Defendants had reason to question the reliability of the conclusions and information contained in a third party survey and report that DVU used as the basis for the income superiority claim. In addition, according to the complaint, comparing income information that Defendants obtained directly from its graduates with publicly available income data showed that DVU graduates did not in fact earn significantly more than graduates from all other schools combined a year after graduating.

In a related action, the U.S. Department of Education (ED) is also taking action against DeVry for its marketing practices. ED is providing notice to DeVry that it will be requiring the institution both to stop certain advertising regarding the post-graduation employment outcomes of its students and to take additional steps to ensure that DeVry can substantiate the truthfulness of its post-graduation employment outcomes.

"As required by the law and expected by the public, institutions need to be accurate in their marketing and recruiting to prospective students. And we confirm this truthfulness of advertisements through the backup information schools provide upon request," said Under Secretary of Education Ted Mitchell. "The Department and the FTC's related announcements today are the result of much collaboration and cooperation. We are grateful to our partners at the FTC for their hard work and dedication on this matter."

The FTC's case alleges that these deceptive claims by DeVry Education Group, DeVry University, Inc. and DeVry/New York Inc. violated the FTC Act. The FTC's complaint asks the court to provide redress to consumers and prohibit DeVry from further violations of the FTC Act.

The Commission vote authorizing the staff to file the complaint was 4-0. Commissioner Maureen Ohlhausen issued a separate statement. The complaint was filed in the U.S. District Court for the Central District of California.

**NOTE:** The Commission files a complaint when it has "reason to believe" that the law has been or is being violated and it appears to the Commission that a proceeding is in the public interest. The case will be decided by the court.

The Federal Trade Commission works to promote competition, and protect and educate consumers. You can learn more about consumer topics and file a consumer complaint online or by calling 1-877-FTC-HELP (382-4357). Like the FTC on Facebook, follow us on Twitter, read our blogs and subscribe to press releases for the latest FTC news and resources.

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